



Board of the USTAR Governing Authority

**Location: World Trade Center at City Creek
60 East So Temple, Salt Lake City, UT
3d Floor Canyonlands Conference Room**

**Monday, December 15th 2014
3:00-5:00 PM**

AGENDA

Welcome Greg Bell

Approval of October 23rd 2014 and November 4th 2014 minutes Greg Bell

Consideration of Vision and Mission.....Ivy Estabrooke

Consideration of Budget ProcessIvy Estabrooke

Consideration of License Review processIvy Estabrooke

Approval of the Budget Adjustments.....Ivy Estabrooke

Summary of Confluence eventIvy Estabrooke

TOIP PresentationsTOIP Directors

Conflict of Interest Risk Management.....Ivy Estabrooke

Budget Proposals Presentations.....U of U and USU

Closed Meeting: Discussion of Professional Competence of PersonnelIvy Estabrooke

Budget Recommendations.....Research Budget Subcommittee

Consideration of University Budgets.....Greg Bell

Audit Update..... Jim Grover

Other Business GA Members

Utah Science Technology and Research Initiative

60 E. South Temple - 3rd Floor Salt Lake City, UT 84111 (801) 538-8622 ustar@utah.gov
www.innovationutah.com



**Board Meeting of the USTAR Governing Authority
12-15-2014 Meeting Minutes – Approved**

Governing Authority Members Present: Neil Ashdown, Greg Bell (Chair), Richard Ellis, Val Hale (Vice Chair), Rich Lunsford, Ron Mika (by phone), Derek Miller, Susan Opp, and Florian Solzbacher.

Excused: David Lockwood

USTAR Staff Present: Cheralyn Anderson, Justin Berry, Linda Cabrales, Mary Cardon, Jill Ellis, Ivy Estabrooke (Executive Director), Jim Grover, Jillian Hunt, Peter Jay, Breanne Johnson, Spencer Madsen, Scott Marland, Koa Perlac, Ryan Streams, and Al Walker.

Others Present: Rob Behunin (USU), Jeff Collings (USU), Susan Eisemann (AG), Corinne Garcia (UofU), Greg Jones (UofU), Cameron Martin (UVU), Ted McAleer (PCAN), Ben Rollins (Vaporsens), Tom Parks (UofU), and Christian Volmar (USU).

Mr. Bell welcomed everyone to the meeting.

Mr. Bell congratulated Neil Ashdown on his new position as Chief of Staff for US Senator Lee, noted his resignation from the Governing Authority effective at the close of the meeting and thanked him for his time and service on the Governing Authority.

Meeting minutes were reviewed by the Governing Authority. Mr. Ellis motioned to approve both the October 23rd and November 4th meeting minutes. Mr. Lunsford 2nd the motion. Motion passed unanimously. Mr. Mika abstained from voting.

Dr. Estabrooke reviewed the process that went into the development of the new vision and mission. New vision and mission statements and objectives were developed by the strategy subcommittee of the GA and had been discussed in the October GA meeting.

Mr. Miller motioned to approve the vision and mission statements and the objectives. Dr. Solzbacher 2nd the motion. Mr. Bell called for a vote and the motion passed unanimously.

Dr. Estabrooke described the budget proposal process for university funding from USTAR. Historically, universities provided line items by team but with no additional information regarding breakdown by salary, start-up package, operational costs etc. For 2015 in an attempt to meet the requirements of SB62, a budget proposal process was introduced that required the universities to provide contextual information on each team and justification of budgets by salary, start-up packages, equipment and operating expenses. The process also required each university to meet with USTAR staff, brief the Governing Authority subcommittee on budgets, and presentation to and approval by the full Governing Authority.

As a proposal for the fy16 budget process, we would like to do a budget build process starting from the commitments in the mou's which include the salary tails and any remaining funding from the start up packages. She is working with vice presidents offices at both universities to come to a consensus of what the mou's commit to.

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Dr. Estabrooke explained that the mous are the commitment between the universities and faculty recruited as USTAR faculty as well as a commitment of USTAR funding long term. It is critically important the state of Utah honor the commitments made to the researchers who moved their labs to Utah. The majority of the investments are the salary tails which are a commitment. We need to understand what these amounts are in order to have a clear view of how much funding is available for new initiatives and can help align new activities we are supporting going forward to the new vision and mission statement we have adopted today.

Mr. Bell explained that professors have been given a startup package for acquisition of equipment or various other items. Many of the professors have held on to this as a sort of bridge financing or while in between grants. They are in different amounts and have been over the years we have not booked this into our budget. We need to be aware of uncommitted funds in case they call for it. Universities will need to manage the amount. Mr. Bell questions if we can ultimately get these funds liquidated by FY16.

Dr. Estabrooke mentioned that we are working with the universities to create a time line to avoid a large payout of the uncommitted funds. Once these funds have been paid out we have room for new directions. We have discussed we need to have broad support for commercializing activities. Also we would like to provide some special skills and associated costs with commercialization process. We are working with the Universities to understand the Mou's and come to a consensus on the time line for the salary tails and remaining commitments. Strategically thinking about de-risking technologies will be an important piece to get to commercialization. We will see in the budget proposals some new initiatives in applied research prototyping.

Dr. Estabrooke stated that we are seeing new approaches for commercialization within the TOIP as well as in the Universities. Spin in technology is being focused on at USU. At UofU we are seeing increased collaboration between the university and the TVC. Also, enhancing USTAR participation in the accelerator and engine programs that the TVC has done. Mr. Buffmire has been brought on as a technology liaison to bridge the gap between the TVC and professors. Mr. Bell questions how the USTAR staff will be helping? Dr. Estabrooke responds she will be participating in the screening process for the accelerator and engine programs at the TVC. Mr. Buffmire is part of our team and will be going in and looking at technologies that have disclosures and see what needs to be done to start commercializing. She has been up at USU meeting with the teams and assess where there is promise. In January she will be up at U of U meeting with all of their teams. We are trying to be cognizant and the support capacity as a state to do the technology de-risking to be able to commercialize.

Dr. Estabrooke proposed a new budget policy and process for FY16. We provide a new budget template and will start with a base budget model with salaries, mou's and remaining startups. We will then ask the universities to propose new programs and new ideas that fit and support the new vision and mission statement for USTAR. Those requests will go through the USTAR staff, GA subcommittee, and presented to the full GA. Goal is to have the fy16 budget approved before the first day of fy16.

Mr. Ashdown motioned to adopt the budget policy and process. Mr. Ellis 2nd the motion. The Governing Authority Board voted and the motion passed unanimously.

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Dr. Estabrooke wanted to create a subcommittee that would review the licenses frequently to have an understanding of what has been agreed upon. These are licenses that have been negotiated between the universities and companies. Any of the IP USTAR has a stake in. We would like to invite Ms. Opp, Mr. Miller, and Mr. Mika to be on our subcommittee. Mr. Bell asked if these members of the board would be willing to serve on the subcommittee. All of the members agreed to serving on the subcommittee.

Dr. Estabrooke spoke on the budget adjustments mentioned during the October Governing Authority meeting. We have put out requests for bids to several firms for rebranding. Modern 8 responded giving us a bid of 20k for the rebranding for USTAR. A draft RFP for a new website for USTAR is under review by purchasing. The RFP states that their bids cannot exceed 55k. Mr. Bell questioned building a new website and what functionality we are looking for. Dr. Estabrooke responded we need to change the navigability of the website. Make it more easily accessible to not only other researchers but also the tech industry. We would like to have a database of the different companies we have helped. It would also allow us to further explain what each of the professors is working on. Mr. Jones mentioned that most of the professors have their own websites. Dr. Estabrooke states we would like to have links from our website to theirs.

Mr. Hale motioned to approve Budget adjustments. Ms. Opp 2nd the motion. Governing Authority Board voted and the motion passed unanimously.

Dr. Estabrooke spoke about the confluence we had on November 3rd and 4th. We had each of the research teams do a presentation as well as presentations from members of TOIP, the commercialization group at USU, the TVC and from Jeff Edwards at EDCUtah. We received a great overview of what is in all of the portfolios. Mr. Bell mentions that it was helpful to become conversant with the research. It also made the teams more aware of USTAR and how ancillary we are to their research. We also created a message for the teams to not take USTAR for granted and we have a great relationship between USTAR and Universities. Mr. Edwards mentioned the student poster session was very interesting and beneficial. Dr. Estabrooke states that we do have a proposed date for the 28th and 29th of September 2015 for an annual confluence. Mr. Lundsford mentions this was a good way to create some peer review of teams. Dr. Estabrooke mentioned a number of PIs mentioned their use of SBIR projects that we were not aware of. We are working on a way to make sure all of these are in the USTAR folds.

Dr. Estabrooke introduced Jill Ellis who will present an overview of the TOIP South office through powerpoint. Ms. Ellis spoke about the South TOIP. They serve the rural areas of Utah through three different locations: Snow College, Dixie State College, and Southern Utah University. She introduced Jared Goodspeed as the southern analyst and Rusty Lee is the Seed Dixie manager. Seed Dixie is a local initiative whose mission aligns with USTAR. We focus on four pillars: talent, support, funding, and ideas. Services offered there are idea assessment and evaluation. Contests to stimulate and root out idea makers, training – nail it then scale it and lead startup training. We have our Outlier labs and seed incubator. We also offer go to market no risk loans and USTAR based coaching mentorship and connections. They have received a few TCIP and SBIR grants.



Mr. Hale explained TCIP funds. It was designated for university projects in the past. This year the legislature had opened this up to small businesses. There was a preliminary process and then all of those came in and presented to a panel and was then awarded funding.

Ms. Ellis spoke about their ecosystem builders and their success. We work with about 20 companies on a regular basis. We have several companies that come in and out. There is always collaboration going on. One of our biggest success stories is TouchMD that is interactive software that enhances the patient experience.

Dr. Estabrooke introduced Al Walker who will speak on USTAR East. Mr. Walker spoke about the locations USTAR East is currently serving. He introduces his team. The services they offer to the professors and scientists we help with doing the grunt work, contacts with industry and taking them back to the scientists. Mano Misra won a TCIP grant. He gave an overview of the teams they are working with and what the Energy teams are working on. We provide a sponsored annual Black Wax Workshop. We have started a joint industry study. There are two pipeline proposals. They have been able to connect people with industry. We have also been handed the Utah Energy Research Triangle. Currently they have seven projects ongoing. They have Brigham Young University, Utah State University, and University of Utah working together and focused on Utah centric energy issues. Mr. Miller asks what is next on the horizon for the energy research triangle. Mr. Walker responds that they will not know what they will be until the RFP come in and they make the selection.

Dr. Estabrooke mentioned the audit last year that the Governing Authority needs to adopt a Conflict of Interest policy. Everyone on the Governing Authority has done so by providing a Conflict of Interest disclosure. The current audit has identified that the GA does not have a conflict of interest risk mitigation policy. We have a disclosure process but no guidelines if someone does have a conflict of interest in something the GA was considering for a vote. Staff has put together recommendations based on other state agencies policies. Mr. Bell states it defines conflict of interest and the potential conflict of interest. It also allows for one member to ask another member to recuse and three we have to disclose conflicts. He suggests tabling until AG has reviewed final draft.

Mr. Jones is presented the budget proposal for the University of Utah. Budget subtleties, we are moving from startup packages to salary support. In the next two years we will see those startup packages spent out making more room for new discussion and programs. We lose faculty to other recruitments and line items open up. There is opportunity to look at new research. We currently are asking for fy15 budget this year. Currently, we are moving into the salary tails for some of our teams and we can open up money to exploit the technologies. Mr. Jones mentions collaborative grant support. We fund people to help write and support to make those collaborative grants come together. We want to bring in and build relationships and an entrepreneurial environment. Dr. Solzbacher speaks about the process of making grants and how difficult it is to create these and the researchers can collaborate. We are working to create an entrepreneurial environment and work with students to create prototypes of new products through the BioInnovate Program. Utah has a high biomedical creation in Utah. We want to build a FDA program up at the UofU to create leverage for the companies that will be spinning out to start with FDA early on in the process. We would like to have Tech Summits to bring in national and international experts to vet these technologies and to provide validation for research going on.

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Mr. Behunin presented the USU budget proposal. He is speaking about some of the researchers' salary tails and startup funds moving forward. They are moving forward with cancer cells. This is a long process. These are long term projects that take time. Their funding moving forward is 1.5 million and they have their research regimen. Spider silk is one of the areas of investment that we continue to bet in and trying to get this to market. We have the ozone modeling group in the Uintah area working with a company to create software. We have had our Spin out company WAVE that will be moving forward. We are requesting for funding to create a testing track built on USU's innovation campus to test in motion charging stations. Reagan Zane has a large IP portfolio that could be adopted into our current hybrid and electric vehicles. EpScor is our ongoing commitment to the state. Our commercialization line is basically the business development team that is working with our research teams. Mr. Lunsford questions what the development team does. Mr. Behunin responded they help with all of the process and working with business and industry. Deciding if they have patentable research and taking it to the lawyers. We have the opportunities line that the researchers have put a request in to be approved.

Dr. Estabrooke states we would like to go into a closed meeting to discuss professional competence of personnel.

Mr. Hale motioned to go into a closed session. Mr. Lunsford 2nd the motion. The motion passed unanimously.

Meeting will now go into a closed session 12/15/14 at 4:55 pm.
Mr. Miller left the closed session 12/15/2014 at 5:35 pm.

Mr. Lunsford motioned to end closed session. Dr. Salzbacher 2nd the motion. The motion passed unanimously.

Meeting will now open 12/15/2014 at 5:38 pm.

Mr. Grover gave an update on the audit. He and Ivy met with the Legislative auditors for a pre audit release briefing. The audit will cover 2 parts one of which states what we have completed and items that are in process. The second part will talk about the progress we have made with our annual report. There are confidential copies that will be given to the Chair, Vice Chair, Dr. Estabrooke, Mr. Perlac, and Mr. Grover for review. A formal pre-release meeting will be scheduled and then a formal release will be two weeks from now. The legislative auditors will not be presenting it and will post it to their website. Dr. Estabrooke stated she will be drafting a response.

Mr. Bell states that we are not taking any action on the on the universities budgets at this time.

Mr. Ashdown motioned for the meeting to adjourn. Mr. Ellis 2nd the motion. Motion passed unanimously. Mr. Bell brought the meeting to a close.